

CONDUCTED BY THE  
INTERNATIONAL CITY MANAGERS' ASSOCIATION

1313 East 60 Street, Chicago 37, Illinois

Report No. 185

June, 1959

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## PLANNING AND MANAGEMENT OF MUNICIPAL AUDITORIUMS

*What is a municipal auditorium? What facilities are provided and what elements go into planning an auditorium? How is a municipal auditorium administered and financed?*

Municipal auditoriums are of increasing concern to city administrators and the community. The 1958 *Municipal Year Book* listed 414 cities that operate a municipal auditorium. Auditorium management is by no means a big-city problem; 144 of these auditoriums are in cities of 5,000 to 10,000 population.

The city government is interested from the standpoint of financial management, contract arrangements with exhibitors and users, and maintenance problems. The community is interested, particularly through such groups as the Chamber of Commerce, because of potential business opportunities that municipal auditoriums can create. This interest is illustrated by an article in the February, 1959, issue of *Public Management* entitled "Civic Auditoriums — A Community Issue." The article described the community demand for an auditorium when public officials felt that other projects had higher priority.

To provide first-hand information on these points, Management Information Service surveyed the cities listed in the 1958 *Year Book* that reported operating a municipal auditorium. A total of 153 cities responded with one city reporting two auditoriums. Their responses provide the basis for this report.

### What Is an Auditorium?

The term "municipal auditorium" can refer to the large structure containing all facilities to the one-room area located in a municipal building. The several types of auditorium facilities can be classified as follows:

1. Arena. A large open floor area designed primarily to serve athletic events.
2. Exhibition hall. A large, open floor area to provide display space for large convention exhibits and trade shows; may include special equipment for booths, lighting, storage, and loading and unloading of display items.
3. Music hall. A large area with permanent seating for concerts and similar events; usually has a wide, shallow stage and special acoustical design.
4. Theatre. For stage plays, lectures, and similar events. Has a deep stage with special equipment, permanent seating, and an over-all semicircular design to enhance visibility and acoustics. Maximum seating capacity seldom exceeds 1,400.
5. Little theatre. Essentially the same as a theatre with two major exceptions: (1) more extensive backstage facilities and equipment for dramatic training and experimental work; and (2) smaller seating capacity.

This report includes all auditoriums used by the general public for activities not associated with the operation of a municipal government that contains one or more of the above facilities. The reason is that the one-room auditorium has similar problems to those of the large, independent, auditorium — i.e. rates, contract forms, and so on. The wide variety in municipal auditoriums is highlighted by two communities.



Arlington, Massachusetts (approximately 50,000), has an auditorium in the town hall seating 900 people. This auditorium has a stage, a flat-surfaced main floor for portable seating, and a balcony with permanent seats. A kitchen area is provided for the use of citizen groups. Town manager Edward E. Monahan states: "the auditorium is used primarily by organized groups for their meetings and for the events that they sponsor." He goes on to say that the local philharmonic society conducts rehearsals and performs three concerts a year in the auditorium. The women's club conducts meetings, high school boys and girls hold dances, and most any other type of local event uses the auditorium. Mr. Monahan estimates that during the period from September through June, the auditorium is used at least four nights a week.

Lansing, Michigan (92,000), illustrates the large facility providing all types of services. The Lansing Civic Center and Veterans Memorial Auditorium was built in 1955 at a cost of \$5,500,000. The building contains an auditorium that will seat as many as 6,500. It is designed to serve all types of events including stage shows and athletic events. It also has meeting rooms, a ballroom, a game room, a band room, three kitchens, and convention exhibitors space.

### Physical Facilities

Municipal auditoriums surveyed for this report appear to be of three major types.

First is the auditorium with an arena, and in some cases an exhibition hall, for sports events, trade shows, conventions, and similar events. This is found in 73 of 151 reporting auditoriums.

Second, is the theatre-type auditorium with stage and permanent seats found in 35 cases. These facilities, by the definitions on page 1 above, may be "music halls," "theatres," or a hybrid.

Third is the combination facility found 43 times which offers both the "arena-exhibition hall" and the "music hall-theatre." In 10 of the 43 auditoriums, a common stage separates the two facilities.

A number of the municipal auditoriums provide other types of facilities which can be broken down as follows: kitchen, 64; exhibit space, 92; office space, 45; gymnasiums, 40; motion picture equipment, 40; and recreation club, committee, and meeting rooms, 71.

Seating Capacity. The seating capacity varies from 200 in Maywood, California, to 11,000 in St. Louis. No consistency is evident between population and auditorium seating capacity. McCook, Nebraska (7,600), has seating capacity for 1,800. Dallas, (434,462), has a seating capacity of 1,770. Both communities report that present facilities are adequate. A further illustration of this great variance in seating capacity is to compare Bangor, Maine's 7,200 seats with New Orleans, Louisiana's 8,500 seats.

Parking Facilities. It might be assumed that off-street parking is one of the most important facilities for municipal auditoriums, but it is difficult to find any correlation between the number of off-street parking spaces and the number of auditorium seats. Cleveland, reports a seating capacity of 10,500 with only 1,500 parking spaces, whereas Harlingen, Texas, with a seating capacity of 2,046 reports 1,500 parking spaces. Neither city reports that parking is a problem. Forty-seven cities report no auditorium parking.

Office Space. As indicated above, 45 municipal auditoriums provide office space for private and public organizations. The most common provision is offices for city agencies followed by agencies for other governments and veterans' organizations. Some provide offices for the Chamber of Commerce, women's club, businesses, national guard, and youth organizations.

Adequacy of Facilities. To attempt to generalize or to draw conclusions on what cities should provide is difficult. Ninety-five out of 151 auditoriums reported that their facility was adequate. The consensus among those reporting inadequacies is (1) insufficient exhibit space for conventions, and (2) insufficient seating capacity for different types of events. Opinion expressed indicates especially that cities catering to conventions should provide plenty of exhibit space and seating capacity.

Two communities stressed air conditioning. Fort Worth stated: "Coliseum and exhibit buildings need to be air conditioned." Augusta, Georgia, made the following comment: "Our auditorium



has just been air conditioned. Certainly no auditorium should be built without including this in construction. We expect to have attractions all through the summer. In the past, our building has been dark during the months of June, July, and August. We expect our revenue to show an increase as a result of this installation."

Other typical remarks were: "Need another exhibit hall of 1,000 square feet, a theatre seating 3,500 to 4,000 and more committee rooms." This was from a large city. From a community of 20,000: "Questionable — need more small meeting rooms, more seats for high school basketball games. Biggest problem is no parking space available." The remark as to parking space is interesting because it would seem that this would be a common problem for municipal auditoriums. However, only three communities mentioned that parking space was inadequate.

#### Planning for a Municipal Auditorium

T. J. Millisack, manager of general services, city and county of Denver, was kind enough to prepare a paper on auditorium planning for Management Information Service. The eight major points made in this paper for planning an auditorium are as follows:

1. Type of facilities. A city considering an auditorium should survey all existing facilities, public and private, that are provided in the community or which could feasibly be provided by private enterprise. A community should not duplicate existing facilities. In making this study careful thought should be given to what a community desires to accomplish — i.e. what type of events will be using a municipal auditorium.

2. Seating capacity. Mr. Millisack points out that size and seating capacity are controversial. Population has an influence, but only to an extent. This point is illustrated above where existing facilities seem to have no logical relationship to community population. The controlling factor in seating capacity is directly related to point one — how the facility will be used. "It is better to size the facility to fit several events and extend the run of the one colossal event. Too large a capacity will find the unit dark much of the time since a successful promoter with a smaller attraction does not care to present an otherwise successful event to a half-empty house."

3. One unit or several. It is generally considered better to consolidate different units in one building. This provides advantages for over-all maintenance, administration and allows certain types of functions, such as conventions, to make use of a number of facilities in one centrally located place.

4. Multipurpose auditoriums. Within an auditorium rooms should not always be multipurpose facilities. There are several reasons for this. For instance, a theatre should have a sloping floor with permanent seats and a specially built stage. Sporting events on the other hand may need much larger seating capacity and different equipment. It is impossible to provide a multipurpose room that can suitably accommodate both types of events.

It is possible, however, to combine some facilities such as a music hall and a theatre. Seating capacity and stage design then would be based somewhat between the requirements for each type of facility. Although a compromise, it is the only possible auditorium, because of cost, for many cities.

5. Location. The auditorium usually should be centrally located to serve the largest number of people. There are exceptions. As an illustration, if an arena is to be used for livestock shows it would be located in an area that facilitates handling of livestock. Other factors influencing the location of an auditorium are good public streets and alternate routes to and from the auditorium, hotel accommodations if the auditorium will be used for conventions, and accessibility to public transportation.

6. Concessions. Mr. Millisack makes this point in planning concession facilities: "Concession operations should be given thorough study during the planning stage in order to consider such matters as stand locations, provision of adequate utilities to these locations, the attractiveness of stands and other pertinent consideration which will enhance the sale of refreshments. This is not just a matter of accommodating the public, it is a matter of providing the best possible conditions to promote concession operation. This does not mean that the auditorium should operate the concession, this is a



specialized field of endeavor. The important thing to remember is that a concession operation is a separate *source of revenue* and a well-thought-out installation can increase this revenue."

7. Parking. Off-street parking not only provides spaces for the public but also is a revenue source for the auditorium. A well planned parking lot will be used and will enhance income. There seems to be no rule of thumb as to how many spaces should be provided. Again, this depends largely on the type of auditorium.

8. Special problems. If the facility is limited to an arena, to a theatre, or to any other specialized function, considerations develop as to design and seating capacity. An arena seating capacity should at least double the capacity of a theatre or music hall. It is more difficult to pinpoint maximum seating, but this should be based on the general type of event. Theatre seating capacities over 1,400 are rare. Again, if the unit is to be used only as an exhibition hall, limited seating, portable in nature, is necessary to allow for large floor space for exhibit booths. Thus, in planning a municipal auditorium a great deal of thought must be given to exactly what the auditorium is going to do and what it is going to contain. Because of these factors, responsible individuals familiar with the city government, should be formed as a special committee to study the problem. Final plans should be carefully reviewed. The International Association of Auditorium Managers (c/o Municipal Auditorium, Memphis, Tennessee) provides a consulting service on a fee basis for studying a community and advising as to the best type of facilities. It should go without saying that comprehensive community planning should precede auditorium planning.

### Organization and Administration

Cities reporting to MIS have three general types of auditorium organization: (1) an administrative board which is responsible for setting policy, hiring the manager, and so on; (2) an advisory board which has no specific power but is a "consultant" to the city; and (3) a city department or agency which operates the auditorium and reports directly to the chief administrator or the city council. Table 1 provides a breakdown by population groups of these three organizations:

Table 1

Administrative Organization for Municipal Auditoriums

Population Group	Number of Auditoriums	Administrative Board	Advisory Board	City Department
Over 500,000 . . . . .	5	0	3	2
250,000 to 500,000 . . . . .	16	4	1	11
100,000 to 250,000 . . . . .	17	4	3	10
50,000 to 100,000 . . . . .	25	7	5	13
25,000 to 50,000 . . . . .	13	2	3	8
10,000 to 25,000 . . . . .	50	6	3	41
5,000 to 10,000 . . . . .	28	1	5	22
Total . . . . .	154	24	23	107

Administrative Board. As Table 1 shows the administrative or independent board is not widespread — 24 out of 154 auditoriums.

The mayor appoints the board in 15 of the 24 reporting auditoriums. Other means of appointment are election by local veterans' organizations, appointment by the city manager, and intergovernmental appointments. In two cities the city council and the county board of supervisors operate the auditorium through a jointly appointed board. In another city the city council and school board jointly appoint the board.

Two communities report self-perpetuating boards. In one city the mayor appointed the first board after which it became self-perpetuating. In this case (Louisville, Kentucky), the auditorium



was built by revenue bonds (60 per cent) and private gifts and donations (40 per cent). In another community the auditorium was financed entirely by private donations and the first board was appointed by the donors of the building and from there on became self-perpetuating.

The auditorium manager is appointed by the board in 14 cases. Others appointing the manager are: mayor and council, mayor, mayor and auditorium board, and school board. Three cities do not have a full-time manager.

Advisory Board. Twenty-three cities use an advisory board in operating the auditorium. An advisory board, as distinguished from an administrative board has only the power to recommend or advise the auditorium manager, the chief administrator, or the city council.

With the advisory board, actual auditorium operation is delegated to a department or agency of the city government. Nine cities have a separate auditorium department. Other city departments operating the auditorium are evenly distributed among the department of property management and building, public safety, recreation and parks, city manager's office, and public works.

The auditorium manager usually is appointed by the city manager or the mayor: city managers, 12 cases; mayor, 5 cases. The remaining 6 are evenly divided between the Council and a department.

City Department. One hundred and seven auditoriums are operated within a regular city department. This figure may be larger than other surveys indicate because it includes auditoriums that are part of the city hall or other public building. Nevertheless it is an indication that in the operation of municipal auditoriums the "board structure" is not as popular as in other areas of city government. The department or agency operating the auditorium is park and recreation, 19; an auditorium department, 18; city manager's office, 15; public works, 14; city clerk's office, 11; and other departments, 30.

Two cities state that the auditorium is operated by contract. One of these communities, Fresno, California, reports: "The Fresno Memorial Auditorium is managed by a contract manager and the major portion of his income is derived from the supervision and operation of the various concessions. . . We find that this arrangement works very satisfactorily for all concerned and that the auditorium manager . . . has done a great deal to make Fresno one of the principal convention centers on the west coast."

The city manager (33 auditoriums) is the key official appointing the auditorium manager followed by the mayor, department head, and city council.

A number of municipalities combine the job of auditorium manager with another official's duties. Fifty-three communities follow these procedures, with forty-three cities under 25,000 population. In ten cities the city manager assumes direct supervision; nine cities, the city clerk; eight cities park and recreation director; seven cities, the public works director. The remaining 19 have various arrangements.

The operation of the auditorium as part of the regular administrative structure allows for flexibility. This is indicated by almost 50 per cent of the 107 cities where the auditorium operation is directly under the chief administrative officer combining the function with other city operations. In contrast is the fact, mentioned above, that only three of the forty-eight cities using any type of board do not employ a full-time manager.

Salaries of Auditorium Managers. Table 2 shows the variation in salaries of full-time auditorium managers. Three communities pay a low salary but provide the manager with certain other benefits. Culver City, California, only pays \$1,000 a year, but the manager gets a percentage of auditorium revenue. Salina, Kansas, pays \$3,360 a year but provides all concession rights. Finally, Sterling, Colorado, pays \$3,240 but provides housing to the manager.

Number of Employees. The number of full-time auditorium employees ranges from none to as many as eighty.

From answers supplied in the questionnaire, based not only on the number of full-time employees but also on such other factors as population, size of the structure, and age of the structure, it can be conjectured that three factors should be considered by the administrator in determining the proper number of full-time employees.



Table 2

## Salaries of Full-Time Auditorium Managers\*

Population Group	Number of Cities Reporting	Minimum	Maximum	Mean Average	Median
Over 500,000 . . . . .	5	\$9,200	\$13,000	\$11,108	\$10,740
250,000 to 500,000 . . . . .	15	4,800	12,000	8,500	7,908
100,000 to 250,000 . . . . .	12	4,560	14,700	8,640	7,440
50,000 to 100,000 . . . . .	20	4,236	11,500	6,844	6,079
25,000 to 50,000 . . . . .	5	4,175	7,500	5,217	4,856
10,000 to 25,000 . . . . .	13	2,640	7,200	4,398	4,150
5,000 to 10,000 . . . . .	5	3,060	6,000	4,091	3,624

\*Does not include three cities providing housing and other benefits in addition to salary; see text.

1. The number of events held within an auditorium has a direct effect on the number of full-time employees. The city reporting the largest number of full-time employees also had the largest number of events during 1958.

2. The policy of the city (see below under "Rules and Regulations") as to supplying ticket takers, stage hands, and concession workers, has a direct effect on the number of employees.

3. The structure, size, age, and location of the auditorium have a direct effect upon the number of employees. For example, if a structure is the size of the Lansing building, it requires more maintenance than a one-room auditorium. Further, the availability of other city maintenance personnel will influence the number of auditorium employees.

### Rules and Regulations

Rules and regulations for operating municipal auditoriums touch on both the financial structure and other administrative problems such as prohibited uses. Certain items are found consistently in ordinances of city councils, resolutions of auditorium boards, or city councils, or in the contract form. A discussion of these points follows.

Catering and Food Concessions. Cities that have concession or kitchen facilities either provide that the lessee shall provide catering service, or operate the food concession, or that such operations are reserved as a city function. The Miami Beach auditorium does not have an official caterer. Directions to the lessee read: "Lessees planning meal functions in either building may use any caterer they choose; however, we do require that your caterer contact the management as early as possible so that the caterer may be informed of our rules and regulations governing catering operations in these buildings. . . ."

On the other hand, Wichita provides: "The city reserves the sole right to conduct and control either directly or through separate leases all concessions whatsoever in the municipal Forum Building, . . . and provided that the city further reserves the right to grant exceptions in specific cases."

Events of Good Taste. A common provision is found in the Santa Cruz rules and regulations: "The auditorium manager shall have the power to refuse any and all proposals for auditorium use not consistent with the presentation of clean and acceptable stage and floor events, including dances of immoral and suggestive character; also the right to cancel bookings in conformity with such a rule if found necessary."

Rental. Generally, auditorium rules and regulations provide for advance payment of rentals. The Sarasota municipal auditorium lease, for example, reads: "Pay to the city, at city hall, Sarasota, Florida, for the use of said premises at the above stated rent, ten per cent or more upon the execution of this lease and the balance on or before fourteen days before the commencement of the



term of this lease; a said sum or sums shall be paid in lawful money of the United States or by cashiers or certified check on a solvent bank; . . . ."

Cancellation. Most contracts provide, as in Lansing, Michigan, as follows: "In case the said civic center or any part thereof should be destroyed or damaged by fire or by any other cause, or if any casualty, strike, or other unforeseen occurrence shall render the fulfillment of the lease by the lessor impossible, then and thereupon, this lease shall terminate. The lessee shall pay rental for said premises only up to the time of said termination at the rate herein specified and the lessee hereby waives any claim for damages or compensation of any type or nature whatsoever should this lease be so terminated."

Ticket Booths, Records, and Concessions. As indicated above, city policy varies in supplying help for selling tickets, maintaining records, and operating concessions. Fort Lauderdale provides "that all ticket sales, on the day of the performances, must be sold by the auditorium's box office staff." Wichita reserves the right to operate all types of concessions.

The Cabell County (Huntington), West Virginia, lease provides: "Unless the Board shall in writing agree otherwise, the tenant shall furnish a sufficient number of ushers, ticket takers, or other employees to properly handle and govern the conduct of all in attendance at the function conducted by the tenant." On the other hand, the Cabell County lease reserves the right to operate other types of functions, particularly concessions.

Alterations. Fort Lauderdale provides a good example of wording for prohibiting alterations of the municipal auditorium without the consent of the city: "That said lessee shall not injure nor mar nor in any manner deface said premises, and shall not cause or permit to be driven, nails, hooks, tacks, or screws into any part of said building, and will not make, nor allow to be made, any alterations of any kind therein."

Subleases. Most leases prohibit subleases by the original lessee. Wording is simply a prohibition without the consent of the city.

Fire Hazards. Clearwater, Florida, has a typical provision which reads "to promptly remove from said building any decorations which in the opinion of the fire department or city cause an undue fire hazard in said premises." Some cities prohibit the use of flammable materials in decorations. Portland, Oregon, as do many other cities, prohibits smoking.

Liability. Two typical types of provisions are found. (1) The rules will provide that the lessee shall hold the city harmless for any liability incurred during the use of the auditorium. (2) The city will require the lessee to purchase liability insurance. Corpus Christi provides: "All tenants shall hold the city harmless from any and all liability from any claims resulting from the rental or use of the premises and shall indemnify the city in case of any claims resulting from their operations or occurring during their operations of the premises and all rental contracts shall specifically include such provisions." On the other hand, Fort Lauderdale, requires that the lessee furnish a landlord's and tenant's public liability policy.

Performance of Labor. Where the city does not provide labor, such as stagehands and ticket takers, a provision similar to one in Richmond, California, is often found: "Persons employed by lessee to handle stage sets, scenery, rigging, properties, lighting, sound equipment, or to perform other work of specialized or technical nature, including ushering and other duties shall be experienced and competent in every respect and qualified to perform their duty, without jeopardy or hazard to life or property or equipment. The qualifications of all such persons shall be subject to approval, rejection, or dismissal by the auditorium manager or his representative."

Decorations. Many municipal auditoriums have rules as to decorations. Some provide a charge and some provide times when such decorating can be done. For example, Homewood, Illinois, provides that if decorating is to be done it should be done without interfering with any other renter, in which case no charge for the time shall be made. However, if the renter wishes to reserve the space and make certain that the time is held open for this purpose, then a decorating reservation must be made and the fee paid.

Prohibition of Alcoholic Beverages. Rules and regulations commonly prohibit sale and use of



alcoholic beverages. Corpus Christi's ordinance is typical: "No beer or alcoholic beverages of any type shall be sold in the Memorial Auditorium."

Objectionable Persons. Fort Lauderdale's lease provides: "The lessor reserves the right through its manager and its representatives to eject any objectionable persons from said building, and upon the exercise of this authority through its manager, agents or policemen, the lessee hereby waives any rights in all claims of damages against the management."

Music. Orlando, Florida, regulations state: "No rendition is to be made of copyright music at the municipal auditorium, Orlando, Florida, unless the performer has specific license or permit from the copyright owners."

Left Articles. The Cabell County rules are typical of contracts which provide that the auditorium management has "the sole right to collect and to have custody of all articles left in the building by persons attending any performance, exhibition, or entertainment given or held on the premises and the tenant shall not collect or interfere with the collection or custody of such articles."

Ticket Sales. Almost all rules, regulations, and leases state that the lessee shall not sell tickets in excess of auditorium capacity.

Broadcasting and Television. Corpus Christi provides that a lessee shall not broadcast or televise any performance, lecture, concert, or other event without the express consent of the lessor and goes on to establish rules as to the installation of said equipment and its removal.

### Financial Management

Municipal auditoriums are financially similar to other municipal utilities. However, these facilities cannot be considered only as utilities since many auditoriums, of necessity, supplement their revenues from general taxes or other sources. In addition, the citizen can exercise a degree of choose with respect to use of an auditorium which he does not have in the use of electricity, gas, and water. In discussing the financial management of municipal auditoriums, three areas will be considered: (1) construction financing, (2) operating revenues and expenses, and (3) auditorium rates. Appendix A lists the data for individual cities discussed in this section.

Construction Cost. One hundred and thirty auditoriums replied on construction cost (exclusive of land) and means of financing. (See Table 3). Forty-six per cent of these used only general obligation bonds. If general obligation bonds plus other methods of financing are considered, then 75 per cent backed the construction cost of the auditorium, at least in part, by the full faith and credit of the city. This indicates that the municipal auditorium lies somewhat between the utility concept and general government concept. A strict utility would finance construction by revenue bonds only. Only one community used this method exclusively and only three in combination with other means. The seven basic ways of financing construction are shown in Table 3.

Table 3

#### Means of Financing Auditorium Construction

Financing Methods	No. of Auditoriums
1. General obligation bonds only	58
2. General obligation bonds plus other means	
Plus federal and/or state aid	18
Plus capital reserve funds	11
Plus other means	10
3. Auditorium revenue bonds	39
4. Capital reserve funds	1
5. Federal and/or state aid	8
6. Private gifts	6
7. Combination of 3, 4, 5, and 6	7
Total	11
	130



Operating Revenues and Expenditures. Appendix A shows revenues by charges and total and expenditures by operations and total. This table indicates that the great majority of auditoriums do not collect enough operating revenue to cover total expenses, or for that matter, even operating expenses.

The MIS questionnaire asked for (1) total revenue with a breakdown by charges, gifts, direct city appropriation, and other revenues, and (2) total expenditures with a breakdown by operating expenses, depreciation, principal payments on debt, and other expenses. One hundred and six auditoriums gave enough information to determine whether auditorium charges were meeting total expenses. Of this number ninety-three indicated that charges were not sufficient to cover their total costs including depreciation, principal payment on debt, and other expenses. Thirteen cities indicated that charges were meeting or surpassing total costs. It is recognized that accounting procedures could influence the results of these questions, particularly since the questionnaire did not go into detail. However, evidence is overwhelmingly to the effect that most auditoriums are not paying their way. Sixty-one communities indicated that the city government made direct appropriations to the municipal auditorium.

This situation is summed up by one auditorium manager as follows: "In commenting on the 20 years experience I have had in this building as manager, I would say that the general attitude of the public with regard to the building of an auditorium is most important. We unquestionably have auditorium construction in many cities in this country which from the standpoint of a return each year of a greater net profit over the cost of operation, cannot even be shown. The important thing is that if the utility is popular in all directions and generally throughout the territory you have attained a situation which will do the most for the general public, and, politically speaking, for the city officials in power. . . . As I have said before, however, you cannot base the success of an auditorium venture entirely on what it costs for construction and what it costs to operate and then look for a net profit. We have never shown a profit but we are running a utility that is very acceptable to the entire territory and which is used extensively by everyone in many different directions."

Rates and Charges. Auditorium charges usually are based on flat rates or flat rates plus a percentage of the revenue. From this point rate structures become complicated. Some cities even use the square foot basis for certain events. Miami Beach, besides a minimum guarantee and ten per cent of the receipts, charges 5 cents per square foot per day for space used for exhibitions with a guarantee of \$300 a day.

All communities provide differential rates for various types of events. Some communities classify the events while others list the events directly. Corpus Christi, has five basic classifications: (1) commercial events which include professional sports, dances, and so on; (2) noncommercial fund-raising events; (3) noncommercial nonfund-raising events; (4) political meetings and gatherings; and (5) conventions of a noncommercial type. Because rates vary greatly not only as to the actual charge but as to classification, no attempt has been made to tabulate the information received.

To further illustrate the complexity of auditorium rate schedules, four other factors commonly have influence.

1. Extra charges. Almost all rate structures have extra charges, other than the basic rate for utilities, spotlights, special wiring, stage hands, rehearsals, public address systems, exhibit space, use of kitchen, movie screen, and piano.

The Richmond, California, ordinance, for example, provides: "for the use of office space, telephone, committee rooms, kitchen, lobby and corridors for display purposes, signboard on MacDonald Avenue, such rates, are from time to time established by the auditorium manager with the approval of the city manager" It further provides that there shall be a \$10 charge for the use of the public address system for each four-hour continuous period. A piano costs \$15 extra; spotlight, \$10 per four-hour continuous period; movie screen, \$10 on a four-hour continuous basis.

One of the most common extras is that the lessee shall pay for electricity and other utilities. Corpus Christi requires that at certain times where police guards or watchmen are needed there shall be a charge of \$10 per performance for building security police and \$2 per hour per man for parking attendants with a minimum of three men and three hours per man.



2. Hours of use. Another factor is hours and days of the week. Lebanon, Missouri, for example, provides for daytime and nighttime uses, and each event is broken down under the hours that the auditorium will be used.

3. Sections of an Auditorium. All large auditoriums have rate schedules applying to different areas — i.e. main auditorium, committee rooms, dining rooms, exhibit space, and so on. As an example, Grand Rapids, Michigan, has rates applying to the main floor, Black and Silver Room, Red Room, Rooms F and E, Exhibit Hall and so on.

4. Local and nonlocal groups. Homewood, Illinois, provides separate rates for local groups as follows: "Nonprofit groups whose activities, membership, and benefits are distributed generally over the whole community of Homewood." In other words, Homewood makes rate classifications based on whether the group is essentially local or nonlocal.

A summary statement can be made that a majority of auditoriums charge a basic rate plus a percentage of the revenue; different classes of events have different basic rates, extras are not included in the basic rates and sections of auditoriums have different basic rates.

#### Influence of Television

Auditorium managers were asked to comment on the effect that television and other entertainment media have had on attendance at auditorium functions. Fifty-five communities replied that they felt that new media of entertainment, especially television and drive-in movies, have had a definite effect on attendance, whereas 78 communities felt no effect.

Birmingham, Alabama, stated: "Television has definitely had an impact on the attendance of the number of events presented in the auditorium. However, this media affected it in varying degrees and seems to be diminishing in its ability to keep people away from live entertainment in public buildings."

On the other hand, Norfolk, Virginia, reports: "TV has increased the use of the auditorium; as an example, the televising of wrestling matches has increased the local uses of the auditorium for this purpose." Other comments are as follows: "TV has definitely affected the attendance and eliminated some events such as vaudeville, dances, etc." "Public interest in ballroom dancing has been declined during the past 10 years." Other uses have remained stable." "Primary use of auditoriums during the entire period has been for concerts and recitals. Frequency of concerts is about the same as 10 years ago."

It would seem most cities feel that municipal auditorium operation has not been affected by television.

#### Summary of Findings

The facts, comments, and figures obtained for this report appear to indicate the following:

1. The term "municipal auditorium" can refer to a variety of facilities but has the one common factor of being used by the general public for nongovernmental activities of a commercial or civic nature.

2. Experience of existing auditoriums indicates that, for the convention-minded city, exhibit space is often not large enough. Communities which do not cater to conventions generally find their facilities adequate.

3. Planning for a municipal auditorium should be part of the comprehensive plan of any community. The most important questions are: "Does the community need an auditorium? If so, what type of facility?"

4. Administrative organization without an administrative board or advisory board provides more flexibility for the use of common facilities. This is particularly highlighted by the smaller communities where auditorium use and maintenance do not require full-time people.

5. Rate structures indicate widespread acceptance of the policy that different uses shall be treated differently, with lower rates being given to the nonpolitical, charitable-type organization.



6. The utility concept of the municipal auditorium is true only in that all auditoriums make some charge for uses. The most a city can hope for is that an auditorium will meet direct operating expenses, not including depreciation and debt service. Many cities have the philosophy that the subsidization of a municipal auditorium is justified by the benefits brought to the community, not only from a business standpoint but also from a cultural and entertainment point of view.

7. Television does not seem to have greatly affected the attendance of municipal auditorium functions. In fact, in some communities, it has increased the use of the auditorium, particularly in the athletic field.

*Acknowledgements.* Management Information Service wishes to thank the 156 city officials who took the time to answer the questionnaire, making this report possible. Special thanks are due to T. J. Millisack for his *Treatise on Planning An Auditorium*.

*Further Sources.* Further information on auditorium planning and financing is available in the following:

*Municipal Auditoriums.* By Farrell G. H. Symons. Public Administration Service, 1313 East 60th Street, Chicago 37, Illinois. 1950. 78pp. \$2.50.

*Planning A Municipal Auditorium.* By Ernest E. Means. Bureau of Governmental Research and Service, School of Public Administration, Florida State University, Tallahassee. 1955. 29pp.

*Treatise on Planning An Auditorium.* By T. J. Millisack, manager of general service, city and county of Denver. A paper prepared for MIS in April, 1959. Available to MIS subscribers upon request.

Auditorium contract forms, ordinances, and resolutions available on loan to MIS subscribers.

*Note.* This report was prepared by William E. Besuden, staff member, the International City Managers' Association.



## Appendix A

## FINANCIAL DATA FOR MUNICIPAL AUDITORIUMS

Data for 153 cities responding to MIS questionnaire. Construction Cost: original construction cost exclusive of land. Sources of Financing: G, general obligation bonds; R, auditorium revenue bonds; C, capital reserve funds accumulated by the city; F, federal and state aid; D, donations. Revenues: annual from auditorium charges (fees) and total revenue from all sources. Operating Expenditures: salaries and wages, material and supplies, interest payment on debt, and other operating expenses. Total Expenditures: operating expenditure plus principal payments on debt, depreciation, and capital outlay.

City	Year Built	Const. Cost (in thou- sands)	Sources of Fi- nancing	Revenues (in Thousands)		Expenditures (in Thousands)	
				Fees and Charges	Total	Oper- ating	Total
<u>Over 500,000</u>							
Cleveland, Ohio . . . .	1935	\$12,000	G	\$1,000.0	\$1,000.0	\$1,000.0	\$1,000.0
Minneapolis, Minn. . .	1927	2,628	G	250.0	250.0	240.0	240.0
New Orleans, La. . . .	1929	2,000	G	216.2	216.2	206.5	206.5
St. Louis, Mo. . . . .	1934	7,000	G	307.5	530.1	530.1	530.1
San Francisco, Calif. . .	1914	1,500	...	150.0	150.0	140.0	140.0
<u>250,000 to 500,000</u>							
Atlanta, Ga. . . . .	1909	...	G	106.3	106.3	127.4	127.4
Birmingham, Ala. . . .	1957	2,300	G	45.9	79.8	79.8	79.8
Dallas, Texas . . . . .	1957	7,000	GC	255.7	966.7	384.5	866.7
Denver, Colo. . . . .	1957	...	GC	282.0	378.0	378.0	378.0
Fort Worth, Texas . . .	1936	3,933	CCFD	103.5	210.7	169.1	227.1
Kansas City, Mo. . . .	1936	5,441	GD	274.8	...	460.0	594.0
Long Beach, Calif. . . .	1932	2,800	G	144.0	167.3	164.2	167.3
Louisville, Ky. . . . .	1929	1,250	RD	19.2	29.7	34.4	34.4
Memphis, Tenn. . . . .	1958	3,000	...	...	...	...	...
Oakland, Calif. . . . .	1915	1,500	G	118.1	...	140.3	...
Omaha, Nebr. . . . .	1955	7,000	G	142.0	142.0	...	133.0
Portland, Ore. . . . .	1917	700	GRC	90.0	90.0	80.0	90.0
Rochester, N. Y. . . . .	1955	5,500	GR	150.0	...	260.0	...
San Antonio, Texas . . .	1926	1,500	G	46.8	46.8	104.5	169.7
Seattle, Wash. . . . .	1928	1,040	GD	183.1	...	159.0	186.1
Toledo, Ohio . . . . .	1928	319	G	53.2	70.1	70.1	70.1
<u>100,000 to 250,000</u>							
Charlotte, N. C. . . . .	1955	4,481	G	194.9	194.9	141.8	141.8
Corpus Christi, Texas . .	1954	1,400	G	38.3	...	36.2	...
Fresno, Calif. . . . .	1935	750	GF	25.5	25.5	49.2	69.7
Grand Rapids, Mich. . . .	1933	1,500	G	132.2	132.2	144.7	178.0
Kansas City, Kan. . . . .	1925	434	...	20.2	20.2	51.3	51.3
Little Rock, Ark. . . . .	1939	860	GF	62.3	62.8	61.5	61.5
Miami, Fla. . . . .	1945	500	RC	39.7	49.2	82.3	...
Montgomery, Ala. . . . .	1937	...	...	6.0	...	1.8	...
Norfolk, Va. . . . .	1943	1,240	GF	49.1	135.5	74.1	77.8
Oklahoma City, Okla. . . .	1937	1,200	GF	116.5	140.9	117.9	117.9
Pasadena, Calif. . . . .	1932	1,250	C	63.5	63.5	96.8	96.8



## Appendix A — Municipal Auditoriums — Continued

City	Year Built	Const. Cost (in thou- sands)	Sources of Fi- nancing	Revenues (in Thousands)		Expenditures (in Thousands)	
				Fees and Charges	Total	Oper- ating	Total
100,000 to 250,000 — Continued							
Sacramento, Calif. . . . .	1927	\$ 1,200	C	\$ ...	\$ 50.0	\$ ...	\$ 53.0
San Jose, Calif. . . . .	1936	492	GF	52.3	52.3	61.2	61.2
Springfield, Mass. . . . .	1913	525	...	10.1	10.1	...	...
Tulsa, Okla. . . . .	1952	341	G	9.1	17.5	7.9	...
Wichita, Kan. . . . .	1910	660	GC	67.3	75.2	75.2	75.2
Worcester, Mass. . . . .	1933	2,500	G	45.6	46.0	69.2	112.2
50,000 to 100,000							
Amarillo, Texas . . . . .	1923	271	G	4.1	49.9	46.9	68.4
Asheville, N. C. . . . .	1939	485	F	21.6	...	33.3	38.4
Augusta, Ga. . . . .	1941	500	GF	38.5	38.5	20.5	36.2
Cedar Rapids, Iowa . . . . .	1928	1,100	...	20.0	35.0	35.0	35.0
Charleston, W. Va. . . . .	1958	2,500	G	20.0	20.0	...	...
Galveston, Texas . . . . .	...	250	G	6.0	...	3.6	4.8
Glendale, Calif. . . . .	1938	517	CF	6.6	12.9	12.9	12.9
Huntington, W. Va. . . . .	1950	980	R	54.5	54.5	57.2	57.2
Lansing, Mich. . . . .	1955	5,500	*GC	131.8	131.8	163.4	163.4
Lowell, Mass. . . . .	1922	1,000	G	5.9	...	41.5	...
Lynn, Mass. . . . .	1949	...	...	5.5	5.5	1.8	...
Orlando, Fla. . . . .	1926	198	G	11.8	...	16.5	16.7
Portland, Me. . . . .	1915	120	D	2.5	...	2.7	...
Pueblo, Colo. . . . .	1922	...	G	1.7	1.7	8.0	8.0
Raleigh, N. C. . . . .	1932	315	G	9.3	36.3	26.5	36.5
Richmond, Calif. . . . .	1951	2,000	G	40.0	80.0	70.0	...
Riverside, Calif. . . . .	1928	200	G	8.6	8.6	21.2	23.0
Saginaw, Mich. . . . .	1908	125	GD	30.0	30.0	30.0	30.0
San Angelo, Texas . . . . .	1929	360	G	4.2	6.5	6.6	...
San Angelo, Texas . . . . .	1958	1,000	G	...	...	12.6	...
Santa Monica, Calif. . . . .	1958	3,000	GC	44.9	327.6	123.5	327.6
Sioux City, Iowa . . . . .	1950	2,575	GC	55.7	100.3	123.6	267.6
South Gate, Calif. . . . .	1949	350	C	8.7	...	27.0	27.0
Stockton, Calif. . . . .	1923	600	G	25.0	42.0	42.9	42.9
Wichita Falls, Texas . . . . .	1928	600	G	5.9	...	19.8	...
25,000 to 50,000							
Arlington, Mass. . . . .	1913	...	D	1.0	2.0	...	...
Bangor, Maine . . . . .	1955	1,400	G	37.4	103.9	82.7	130.7
Colorado Springs, Colo. . . . .	1923	360	G	6.0	...	16.2	16.2
Culver City, Calif. . . . .	1950	450	G	16.3	70.6	43.7	70.6
Danville, Va. . . . .	1933	147	GC	5.7	19.9	17.6	17.6
Enid, Okla. . . . .	1923	465	G	...	...	...	...
Fargo, N. D. . . . .	1959	...	G	...	...	...	...
Fort Lauderdale, Fla. . . . .	1950	400	CD	66.2	...	70.8	70.8
Grand Forks, N. D. . . . .	1957	650	...	...	...	...	...
Lynchburg, Va. . . . .	1953	1,106	GC	...	...	...	...
Miami Beach, Fla. . . . .	1950	2,000	GC	86.6	142.6	129.3	129.3
Rochester, Minn. . . . .	1939	450	...	65.3	65.3	72.3	87.4



## Appendix A — Municipal Auditoriums — Continued

City	Year Built	Const. Cost (in thou- sands)	Sources of Fi- nancing	Revenues (in Thousands)		Expenditures (in Thousands)		
				Fees and Charges	Total	Oper- ating	Total	
25,000 to 50,000 — Continued								
Salina, Kan. . . . .	1925	\$ 315	G	\$ 4.2	\$ 14.5	\$ 12.4	\$ 12.4	
Torrance, Calif. . . . .	...	57	CCF	3.7	...	4.4	...	
10,000 to 25,000								
Ardmore, Okla. . . . .	1941	60	G	...	...	...	...	
Asbury Park, N. J. . . . .	1929	2,500	G	15.0	...	39.0	...	
Barre, Vt. . . . .	1939	194	GF	3.1	25.5	25.5	25.5	
Bartlesville, Okla. . . . .	...	300	G	2.3	6.3	6.3	6.3	
Bellaire, Texas . . . . .	1948	68	G	1.9	21.8	10.7	20.0	
Big Spring, Texas . . . . .	1932	100	G	0.5	10.3	2.7	15.3	
Clearwater, Fla. . . . .	1933†	60	C	7.7	23.1	15.4	15.4	
Coffeyville, Kan. . . . .	1923	...	...	2.7	18.7	11.6	11.6	
College Park, Ga. . . . .	1937	125	RC	1.6	1.8	3.0	4.5	
Emporia, Kan. . . . .	1940	550	GF	9.5	9.5	25.1	25.1	
Eureka, Calif. . . . .	1936	132	RCFD	2.9	11.0	...	...	
Fremont, Neb. . . . .	...	...	GF	4.9	9.0	8.9	12.7	
Gainesville, Ga. . . . .	1948	150	...	...	4.5	1.6	5.9	
Gainesville, Texas . . . . .	1942	...	F	1.8	...	5.3	5.3	
Gardena, Calif. . . . .	1945	65	CD	0.5	...	16.0	...	
Girard, Ohio . . . . .	1938	...	...	...	...	2.5	...	
Grand Junction, Colo. . . . .	...	...	...	1.0	...	2.4	...	
Greenville, Texas . . . . .	1939	...	G	0.2	0.2	0.3	...	
Harlingen, Texas . . . . .	1928	65	G	1.4	...	6.3	16.8	
Helena, Mont. . . . .	1920	365	G	3.6	18.8	18.8	18.8	
Hialeah, Fla. . . . .	...	...	...	2.6	2.6	...	...	
Homewood, Ill. . . . .	1939	135	GF	4.5	...	15.6	27.2	
Independence, Kan. . . . .	1922	230	G	3.3	13.5	...	13.5	
Ironwood, Mich. . . . .	1923	...	...	1.3	...	...	...	
Jamestown, N. D. . . . .	...	30	G	2.5	...	5.1	...	
Junction City, Kan. . . . .	...	225	GF	4.3	21.1	21.1	21.1	
Kingsport, Tenn. . . . .	1940	228	GCF	5.8	...	11.8	18.4	
LaPorte, Ind. . . . .	1930	450	D	8.0	...	29.0	32.0	
Las Vegas, Nev. . . . .	1954	250	C	0.5	...	...	...	
Lawrence, Kan. . . . .	1940	...	...	1.2	3.6	...	...	
Maywood, Calif. . . . .	1939	...	C	0.6	...	...	...	
Moberly, Mo. . . . .	...	...	GF	9.0	...	...	...	
Newton, Kan. . . . .	1912	120	G	3.3	13.3	...	10.0	
Ocala, Fla. . . . .	1940	...	...	2.5	2.5	5.4	5.4	
Parsons, Kan. . . . .	...	150	G	4.3	...	4.9	6.8	
Pittsburg, Kan. . . . .	1927	250	G	3.1	6.8	6.7	6.7	
Plainview, Texas . . . . .	1922	40	G	1.3	...	4.5	...	
Ponca City, Okla. . . . .	1917	...	G	...	...	...	...	
Saco, Maine . . . . .	1885	...	G	0.4	0.4	0.2	0.2	
San Gabriel, Calif. . . . .	1945	...	...	8.3	...	16.8	30.3	
Santa Cruz, Calif. . . . .	1940	300	GF	6.3	...	30.4	30.4	
Sarasota, Fla. . . . .	1938	...	...	...	...	...	...	
Shawnee, Okla. . . . .	1936	300	RF	5.5	...	5.9	9.4	



## Appendix A — Municipal Auditoriums — Continued

City	Year Built	Const. Cost (in thou- sands)	Sources of Fi- nancing	Revenues (in Thousands)		Expenditures (in Thousands)		
				Fees and Charges	Total	Oper- ating	Total	
10,000 to 25,000 — Continued								
Sherman, Texas . . . . .	1931	\$ ...	G	\$ 0.7	\$ 4.0	\$ 2.5	\$ 4.0	
Texarkana, Ark. . . . .	1926	...	...	1.0	1.0	...	...	
Thomasville, Ga. . . . .	1938	250	CF	1.0	5.0	4.0	4.0	
Two Rivers, Wis. . . . .	...	235	D	16.0	36.0	36.0	36.0	
Visalia, Calif. . . . .	1918	80	C	0.2	7.2	6.1	7.2	
Waycross, Ga. . . . .	1934	...	GF	1.0	4.0	2.1	6.1	
Wayne, Mich. . . . .	1958	580	G	1.0	...	22.0	...	
5,000 to 10,000								
Alliance, Neb. . . . .	1936	187	GCF	1.4	14.7	9.3	14.7	
Altus, Ckla. . . . .	1935	...	G	0.8	4.8	5.2	5.2	
Brewer, Maine . . . . .	1938	...	...	4.1	...	6.3	6.3	
Brookings, S. D. . . . .	1936	56	CF	3.6	7.7	7.7	7.7	
Childress, Texas . . . . .	1925	...	...	...	...	...	...	
Cisco, Texas . . . . .	1914	20	C	...	...	0.6	0.6	
El Monte, Calif. . . . .	1938	...	F	5.0	...	...	...	
Fort Atkinson, Wis. . . . .	1929	160	C	4.7	13.1	11.6	13.1	
Geneva, Ill. . . . .	1912	20	...	0.8	4.4	1.8	3.7	
Lebanon, N. H. . . . .	1923	250	G	11.0	11.0	11.0	11.0	
Lebanon, Mo. . . . .	1941	200	F	0.6	2.0	1.5	2.0	
Leesburg, Fla. . . . .	1954	130	C	5.3	14.5	8.6	16.3	
Loveland, Colo. . . . .	1939	90	CF	3.8	...	11.9	14.9	
McCook, Neb. . . . .	1939	100	GF	3.1	6.9	6.8	6.8	
Mexia, Texas . . . . .	1927	80	G	0.3	...	...	...	
Neosho, Mo. . . . .	1938	100	GFD	2.3	6.6	6.6	6.6	
North Bend, Ore. . . . .	1925	16	F	1.0	3.0	2.1	3.0	
Oroville, Calif. . . . .	1935	...	F	...	...	...	...	
Price, Utah . . . . .	1938	225	GF	6.4	...	14.8	14.8	
Rockland, Mo. . . . .	1936	...	F	8.7	16.2	16.2	16.2	
St. Albans, Vt. . . . .	1906	...	...	0.1	0.3	0.1	0.3	
Skowhegan, Maine . . . . .	1906	96	G	1.8	...	6.8	6.8	
South Salt Lake, Utah . . . . .	1955	50	C	1.8	1.8	1.2	1.2	
Sterling, Colo. . . . .	1929	277	G	0.8	14.7	11.4	16.4	
Sturgis, Mich. . . . .	1955	750	D	43.6	56.0	47.5	65.5	
Wellington, Kan. . . . .	1922	200	GF	2.4	5.0	5.0	5.0	
Yankton, S. D. . . . .	1936	150	...	3.0	...	5.0	5.0	



